

HOUSE BILL 2640

By Carr

AN ACT to amend Tennessee Code Annotated, Title 67; Chapter 72 of the Public Acts of 2011; Chapter 157 of the Public Acts of 2019; Chapter 193 of the Public Acts of 2015; Chapter 452 of the Public Acts of 2017; Chapter 480 of the Public Acts of 2013; Chapter 530 of the Public Acts of 2009 and Chapter 602 of the Public Acts of 2007, relative to taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-702(a)(1), is amended by deleting the language "one thousand six hundred dollars (\$1,600)" and substituting instead the language "three thousand two hundred dollars (\$3,200)".

SECTION 2. Section 164 of Chapter 602 of the Public Acts of 2007, is amended by deleting the language "one thousand six hundred dollars (\$1,600)" and substituting instead the language "three thousand two hundred dollars (\$3,200)".

SECTION 3. The increase in the local sales tax cap on a single article of personal property to three thousand two hundred dollars (\$3,200) as provided in Section 1 and Section 2 of this act shall be automatic and shall not require further action of the local governing body of any municipality or county if the municipality or county is at the maximum rate of one thousand six hundred dollars (\$1,600) prior to the effective date of this act.

SECTION 4. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting all language after the second sentence of the subsection.

SECTION 5. Section 139 of Chapter 602 of the Public Acts of 2007, is amended by deleting the language of the section.

SECTION 6. Tennessee Code Annotated, Section 67-6-103(c)(1), is amended by deleting the language "and from the tax levied at the rate of two and three quarters percent

(2.75%) on the amount in excess of one thousand six hundred dollars (\$1,600) but less than or equal to three thousand two hundred dollars (\$3,200) on the sale or use of any single article of personal property".

SECTION 7. Section 69 of Chapter 602 of the Public Acts of 2007, is amended by deleting the language "and from the tax levied at the rate of two and three quarters percent (2.75%) on the amount in excess of one thousand six hundred dollars (\$1,600) but less than or equal to three thousand two hundred dollars (\$3,200) on the sale or use of any single article of personal property".

SECTION 8. Tennessee Code Annotated, Section 67-4-3204(b), is amended by deleting the language "one thousand six hundred dollars (\$1,600)" and substituting instead the language "three thousand two hundred dollars (\$3,200)".

SECTION 9. Tennessee Code Annotated, Section 67-4-3204(c), is amended by deleting the subsection and redesignating the remaining subsection.

SECTION 10. This act shall take effect October 1, 2020, the public welfare requiring it.